

Statement by Congressman Tom Udall
3rd Congressional District of New Mexico
Veterans' Affairs Subcommittee on Benefits
H.R. 1929—The Native American Veterans Home Loan Act of 2001
7/10/01

Mr. Chairman:

Thank you for holding this legislative hearing on H.R. 1929, the Native American Veterans Home Loan Act of 2001. It is an honor to testify before the Subcommittee today about this important legislation and I appreciate the opportunity to do so.

Along with 14 of my colleagues, including Ranking Member Lane Evans, I introduced H.R. 1929 on May 21, 2001 to help ensure that the Department of Veterans Affairs' Native American veteran housing loan pilot program is extended. This extension will allow more veterans living on trust lands to take advantage of this important benefit.

The Native American Veterans Loan program currently will expire on December 31, 2001. However, the program has sufficient funds remaining under the original appropriation to provide loans for an additional four years without requiring a new appropriation.

Therefore, the Native American Veterans Home Loan Act of 2001 would extend the direct loan pilot program until December 31, 2005.

Since the inception of the pilot program in 1992, the VA has made 233 direct loans to Native American veterans, which can be used to purchase, construct, or improve a home on Native American trust land. The VA direct loans are generally limited to either the cost of the home or \$80,000, depending on which is less. It is worth noting that not one of the homes made possible by this VA direct home loan program has suffered foreclosure.

For a veteran to be able to participate in this program, the veteran's tribe must have entered into a Memorandum of Understanding (MOU) with the VA. In some cases, however, a tribe may have an existing MOU with an agency other than the VA, but is still required to negotiate a separate MOU. My goal is to expedite the process of providing home loans and allow more Native American veterans to take advantage of this pilot program. To do this, my bill waives the need for a second MOU, provided that the existing MOU substantially complies with the VA requirements.

To date, the VA has entered into MOU's with a total of 59 Native American tribes and Native Groups throughout the country, with MOU negotiations continuing with an additional 24 tribes.

Traditionally, Veterans living on tribal land, including allotted land, have not been eligible for VA home loan guarantees. However, the Native American Veteran Direct Loan Pilot Program has allowed many Native American veterans who might otherwise have been unable to obtain suitable housing, to do just that. By extending this Direct Loan Pilot Program for another four years, H.R. 1929 would provide the opportunity for additional deserving Native American Veterans to benefit from this important VA program.

Thank you for the opportunity to testify today, Mr. Chairman. I welcome any questions from the distinguished Members of the Subcommittee.